

# Fiscal Note

*Fiscal Services Division*



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**SF 2374** – Revenue Policy Bill (LSB 6247SV)

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Fiscal Note Version – New

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## **Description**

**Senate File 2374** relates to policy administration of tax and related laws by the Department of Revenue, as follows:

- Division I – Directs the Department of Revenue to review withholding tax credit programs in conjunction with the community colleges, the Department of Economic Development, and impacted targeted jobs pilot project cities. The Department is further directed to develop a plan under which the withholding tax used to finance certain economic programs is deposited with the State before being transferred to the community college or targeted jobs pilot project city.
- Division II – Extends the time period allowed to claim an industrial real estate or cattle facilities property tax exemption
- Division III – Allows the Department of Revenue and the Department of Workforce Development to share certain taxpayer information for the purposes of identifying misclassified workers.
- Division IV – Relates to penalties for filing false or frivolous claims for a tax credit.
- Division V – Delays the starting date for accrual of interest owed to taxpayers on tax refunds by one month. This Division is effective on enactment and applies to tax returns due on or after April 30, 2010.

## **Fiscal Impact**

**Division I** – Withholding Tax Credit Program Review and Plan - No significant fiscal impact.

**Division II** – Property Tax Exemption Filing Deadline - Minor negative fiscal impact to local property tax revenue and the State School Aid appropriation.

**Division III** – Department of Workforce Development Cooperation – If effective, this change will positively impact the State General Fund through increased withholding payments and positively impact the Unemployment Trust Fund through increased unemployment tax revenue. No projection of the revenue change is available.

**Division IV** – False Claims for Tax Credits – Increasing penalties should reduce the number of taxpayers making claims for tax credits they are not entitled to.

**Division V** – Tax Refund Interest – Delaying accrual of interest owed on tax refunds will reduce interest paid by the State on those refunds. The current interest rate the State pays is 0.4% per month (\$4.00 per thousand). The Department estimates this Division will increase net General Fund revenue by \$300,000 in FY 2010 and by \$1.0 million each year in FY 2011 and FY 2012.

## **Source**

Department of Revenue

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/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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